The CIA and Soviet Growth Rates, See P. 3

A Neglected Warning of Four Years Ago About Trouble Brewing In Panama

"Panama has about 1 million people who are very poor and about 50 families who are very rich. It also has the Canal Zone with about 3500 Americans, all of whom are rich, relative to most Panamanians, and many of whom obviously feel themselves the social superiors of all Panamanians. Given the economic and social conditions which exist in Panama, it is not surprising that there should be widespread unrest. . . .

"In this situation, the U.S. offers a natural and inviting target . . . irresistible in view of the need for an outlet for popular unrest which might otherwise be directed against the Panamanian oligarchy. . . . As long as the U.S. presence remains so overwhelming, there will continue to be Panamanian agitation over the canal, regardless of whatever concessions the U.S. might make.

"The end result would be either holding the Canal Zone by force or withdrawing completely. The first alternative is perhaps militarily feasible, but it is wholly impractical politically in the 20th Century. . . . Should the situation continue to deteriorate as now seems likely, we would do better to contemplate and explore fundamental changes which would reduce the American presence in Panama and enable us to share with others the political liabilities inherent in maintaining and operating the canal. One means of doing this would be through internationalizing the canal. . . ." —*Report by Sen. Aiken (R. Vt.) Feb. 2, 1960.*

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What LBJ and the Country Need Is A Left Opposition

There was the anonymous Republican who said President Johnson's first State of the Union message offered a cut-rate Utopia and the anonymous Senator who said it was two parts Hubert Humphrey and one part Harry Byrd. It had the virtue of putting poverty in the headlines, but as one cynical friend of mine phrased it, "First they thought that if they didn't talk about it, poverty would go away. Now they seem to think it will go away if they talk about it." The new President's energy commands awe and his virtuosity, admiration. But from an objective point of view, and not just as 100-proof fire-water for the election campaign, inadequacy is the word for this program.

Token Liberalism

The civil rights people talk of token segregation and this might be termed token liberalism. Kennedy was sophisticated and Johnson is folksy, but there's continuity in the razzle-dazzle. The budgetary cuts, slipping a little more spending into Kennedy's last fiscal year to make it look like less spending in Johnson's first, represent such swift sleight-of-hand that it will be some time before anybody knows which savings are real and which expenditures are up which sleeve. The State of the Union Message declared "unconditional war on poverty in America" but translated into money this "unconditional" turns out to be $500 million in new obligational authority and $300,000,000 in new expenditures, which is just half and three-tenths of one percent respectively of our 100 billion dollar budget. The President eloquently said that "even in the absence of agreement we must not stockpile arms beyond our needs or seek an excess of military power that could be provocative as well as wasteful." This is taken as the government's first recognition of "overkill" as urged by Ralph Lapp and Seymour Melman. But the one percent cut in our 50 billion dollar arms budget bears no relationship to its monstrous overkill capacity. Rather it is due to McNamara economies in procurement and inventory, i.e. to the belated recognition of the over-buying and over-stocking of military items to which Senator Paul Douglas has long tried to call attention. "It is in this spirit," Mr. Johnson said, that we were cutting back also on our uranium and plutonium stockpiles. These are notoriously big enough to blow up this planet several times in several world wars with enough left over to blow up the moon, too, when we get there. But all this program provides is a 25 percent reduction, *not in the stockpiles, but in the rate of adding to these already apocalyptic inventories.* Everything in this message is advertised as if it were 20 times as big as it really is, like one Texan selling another an oil well.

It may very well be that this is the best any President can do, given the configuration of forces in the country, the Congress and the military bureaucracy. It may also prove true —we hope it will—that LBJ's skill may get us more on civil rights, on the war against poverty and on negotiations toward peace than could be obtained by a more liberal but less adroit President. But all this really points up is how badly in need both LBJ and the country are of a real opposition to the Left of him. The country's political center of gravity has shifted

(Continued on Page Two)

When Small Minds Run A Big Country

Two examples of what happens when small bureaucratic minds run a great country: The Commerce Department has denied an export license to ship powdered milk to Cuba, where the recent hurricane damaged dairy herds. The Emergency Committee for Disaster Relief to Cuba was ready to ship 3500 pounds to the Hospital Nacional in Havana but the Department ruled this would be "contrary to the national interest." Is it in the national interest to make Latin Americans feel we are so vindictive that we are ready to hurt Cuba's children and sick? The State Department has refused visas to 7 representatives of the Soviet Peace Committee. The Russians were to come as guests of A. J. Muste's Committee for Non-Violent Action in return for Soviet permits allowing pacifist peace walkers in Oct. 1961 to march to Moscow. This was a liberal gesture from the Soviets, hitherto hostile to pacifists. We decline to match it.

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Even Voices as Moderate as ADA's Keyserling's and Gore's Have No Party Vehicle

The War Against Poverty Cannot Be Won Without Socialistic Measures

(Continued from Page One)

so far right in recent years that enlightened conservatives like Johnson and Kennedy look liberal while crypto-Fascists cracked enough to think Eisenhower a Marxist-Leninist are referred to as conservatives.

Not Even Keynesian

The new budget isn't even Keynesian; the cuts, where real, will only undo the effects of the tax reduction; the tax reduction itself gives more heavily to the rich than the poor because otherwise it would be impossible to get it through this Congress. The reader can see from the boxes on this page that even liberal organizations as moderate as the ADA, old-time Truman advisers like Leon Keyserling and neo-Populists like Gore of Tennessee are (1) well to the Left of Johnson, as they were of Kennedy, on tax and fiscal policy and (2) lack any party vehicle for effective pressure. Johnson like Kennedy before him speaks for a "center" position which can win elections but is not vital enough to get the economy out of the doldrums. An infusion of new ideas is badly needed. A Left opposition would at least provide a way to scare the right into a few real concessions.

A delegation of miners were here last week from seven counties in Eastern Kentucky hard hit by automation, the recovery in Europe's mines and the UMW's loss of militancy. If there is to be a war against poverty, this is one of the places to start it. But there is no sign of readiness to think and act in the dimensions required. A new TVA, i.e. a regional program based on public ownership and development, can alone harness the unused resources, human and natural, of Appalachia's huge rural slum. Private enterprise won't come in until the market has been created, as it was in the Tennessee valley. But local interests in this backward area exhibit the same attitudes as the Latin American oligarchies; they resist an industrial development which would sop up surplus labor and raise wages. They would rather leave resources idle than have them developed by government action. The country is going to have to go back not just to Keynes but to Norman Thomas and the Socialists for ideas if the war on poverty is to be more than a collection of superficial makeshifts which do no more than scratch the surface of human need. Americans must learn to hear the word socialism without blanching if they are to solve the problems of stunted national growth and endemic poverty. This horror of socialism blocks pragmatism. It makes impossible that mixture of public and private enterprise less hidebound countries like France have used so successfully in achieving a high rate of economic progress. Without large measures of economic and social planning, we're going to limp along with a permanent margin of unused resources and human misery. The time is not far off when we're going to find out that the lag in our growth rate is due to a lag in our thinking.

The Reward of Virtue

"I asked Mr. [Henry] Ford if he knew how much increase in take-home pay the [pending tax] bill would provide for the average industrial worker. He said he had not computed it. I asked him if he knew what the increase in take-home pay would be for a corporation executive with a taxable income of $300,000 a year. He said he 'had not figured it out.' I remarked to him that I had computed it. While the bill would increase the take-home pay of an industrial worker with a $4000-a-year taxable income by $3 a week, the increased take-home pay of this corporation official would be $1,000 a week. Then I asked Mr. Ford if he thought that was fair. His answer was, 'Yes, since it has taken so long for him to work his way up in the company.' I turned to my distinguished colleagues to right and left and commented on how long it took Mr. Ford to 'work his way up'."

—Gore (D. Tenn.) in the Senate Jan. 8 (abridged).

Tax Bill Criticized As Bonanza for the Wealthy by ADA and Keyserling

"A tax cut that accrues mainly to high income taxpayers would not only be inequitable but largely self-defeating economically.

"The bill passed by the House ignored the Administration's recommendation to narrow the loophole by which capital gains received a preferential tax treatment, and instead gave high income taxpayers further preference by reducing the tax rates on capital gains. . . .

"ADA supports the proposals to reduce the scandalous oil depletion allowances through which oil millionaires escape taxation entirely. The Senate Finance Committee has further corrupted the House-approved tax bill. . . . Unless the Senate reverses the Finance Committee's regressive provisions . . . this will be a tax bill that milks the Treasury, and is a rich man's bonanza. It deserves defeat or, failing that, the President's veto.

—ADA on the pending tax bill, Jan. 6.

"Now, when corporate profits are higher than ever before, when retained earnings are higher than ever before, when the Secretary of the Treasury and many others have admitted that we have a prolixity of savings jammed up in all our savings institutions, when we have large unused plant capacity, why do we need to pay out about $4 billion in subsidies in this corporate tax cut plus the cut of 1962 to increase the after-tax disposable income of investors by 35 percent. What are they going to do with the money? They are going to save much of it. . . .

"I would suggest that no economic or social argument can be made for any appreciable part of the corporate tax cut at this time. . . .

"On the personal tax cuts, the current distribution of the personal tax cuts of $8.9 billion would be $4 billion to the 12½ percent of the taxpayers who have incomes of $10,000 and above, and $5 billion to the 87½ percent of the taxpayers who have incomes below $10,000.

"This is extremely wasteful on economic grounds, because much of the cuts in the higher levels will be saved, and if they were not going to be saved but were going to be spent for consumption, then there would be no possible social justification for increasing the consumption of the $200,000 family by 16 percent and of the $3,000 family by 2 percent.

"So taking that consumption, I would suggest that about $2 billion of the $4 billion tax reduction for the 12½ percent at the top be sliced off and used lower down."

—Leon Keyserling, chairman of the Council of Economic Advisers under Truman, testifying on the tax bill before the Senate Finance Committee last Oct. 22.

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The Fundamental Objection to That CIA Briefing on Soviet Growth

Bad Public Policy to Allow Secret Police to Form Public Opinion

The first objection to that CIA briefing on Soviet growth is that whether the figures are right or wrong it is bad public policy to allow a secret police agency to embark on the task of forming public opinion.

If the Commerce or Agriculture Departments issue estimates in their respective fields of competence, their sources, their calculations and their experts are all available for examination in public. But a secret police agency cannot be subject to such scrutiny. The CIA provides neither the names and backgrounds of its experts, nor the source of its figures, nor the assumptions upon which they are based. Instead and inevitably they reach the public mind invested with the glamor of a highly publicized gumshoe agency, and as if snitched straight from some Kremlin safe. The result is brain-washing, not education.

Figures for A Special Plea

A second objection is that these estimates are rendered suspect by being so obviously linked to special pleading, in this case the campaign to prevent European nations from extending longer than 5 year credits to the Soviet Union. The Soviet Union obviously has some great difficulties but it would seem unwise to reach long range growth conclusions from two years of bad crop weather. The very day after the briefing, in its annual economic review of Europe and the Middle East, the *New York Times* (Jan. 10, p. 59) ran a chart showing that in the past three and a half years Soviet industrial production rose more sharply than ours or any major Western country except Italy.*

There is another and immediate objection to this briefing. The head of the CIA, John A. McCone, a Republican big business man and not just a cold but a holy warrior, is opposed to any and every kind of detente with the Soviet Union—as head of the AEC he was against cessation of nuclear testing. He sees eye-to-eye with Senators like Mundt who fought the Russian wheat deal. These figures give the rightists in Congress and the country a weapon against the Administration itself. If the Russians are on the rocks, why help them with wheat? This was Mundt's argument in the Senate, and this will be the argument against any relaxation of tension. It is well to notice that in the wheat sale debate, except for the speech by Fulbright (see box below), the Administration forces developed no principled argument and fell back on the plea that the wheat sale restriction would hobble the President's power over foreign policy. This itself reflected the Administration's effort to ride two horses at once, one in the direction of easing the cold war, the other toward maintaining strict bars on Russian trade with the West. Sooner or later, the Administration will have to decide which way it wants to go. In the meantime it has allowed McCone to strengthen the enemies of any detente.

We Could Threaten to Bomb Moscow Unless the Russians Stay

"The accelerated pace of the withdrawal of Russian troops from Cuba has left the Administration uncertain about whether U.S. security will be enhanced or diminished as a result. U.S. officials want all Soviet troops to leave, but some are nevertheless concerned by the possibility that Cubans left in charge of Russian weapons might prove to be more trigger-happy than the visiting [sic!] troops. As American U-2 reconnaissance planes are still flying over Cuba, the Cubans, should the SAM sites be handed over to them, might try, it is feared to bring one of them down."

—Washington Post Jan. 10.

*** For a sober and objective view of this whole question we recommend the new book, "The Future of Russia" (Macmillan) by Harry Braverman, who was co-editor of** The American Socialist.

Fulbright Eloquently States The Case for Soviet Trade and Against Perpetual Cold War

"It seems to me that a basic assumption on the part of those who are so strongly opposed to the utilization of the Export-Import Bank [for wheat sale credits] is that the cold war as it has existed during the past 15 or 16 years is an unalterable relationship and that it should continue. Sometimes I am almost disposed to believe that they would be disappointed if it did not continue. . . .

"We do have to deal with the clashing interests of the Soviet Union and of the United States. We will do so far more effectively if we deal with these clashing interests in terms of our own national interest, which is the security of the U.S. and the free world, and not in terms of a struggle to the death between crusading ideologies.

"The logic of the bill proposed by the Senator from South Dakota is that sooner or later either our type of society or the Soviet Union's must be destroyed—either through warfare, subversion or internal collapse. This logic allows no room for the possibility of change through a long process of evolution. Yet it is precisely this possibility which I see as the hope, perhaps the only hope, of avoiding the irreparable catastrophe of thermonuclear war.

'There have been evolutionary changes in the Soviet Union in recent years. . . . It seems to me clearly in the interest of the U. S. to encourage these changes. We need to be pragmatic rather than dogmatic. From our point of view, Khrushchev is a lesser evil than Stalin; Tito is less objectionable than Mao Tse-tung. . . .

"Trade between Europe and the Soviet bloc has tripled in the past decade. It is clear that our virtual embargo on nonstrategic trade has become self-defeating. It does not deny the Communist countries the goods which they wish to buy, but only assures that they will buy them from countries other than the United States. . . . Trade is one of many ways in which we can reduce animosities and inject an element of normalcy in our relations with the Communist nations. . . .

"On the other hand if we pass this [Mundt] bill and the wheat deal falls through, we will have handed the Russians a tailor-made propaganda weapon. . . . To lay down conditions which bring about the rejection of a deal as advantageous to us as this can only furnish proof to the Russian people that we are not really willing to engage in peaceful competition.

"At the same time we will lend great weight to the Russian argument that the satellites must maintain strong, unbending ties to the Soviet Union and that the West has no concern for their problems."

—Fulbright (D. Ark.) to the Senate Dec. 19.

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Latest Annual FBI Report Can Spare Only Two Curt and Frigid Paragraphs for Civil Rights

Federal Anti-Bombing Law Non-Existent So Far As FBI Is Concerned

The time is coming when civil rights organizations will have to ask the establishment of a special Federal police force to investigate civil rights cases. The FBI drags its heels for two reasons. One is its friendly relations with the Southerners in Congress; they have been allies in many a reactionary crusade. The other is its close ties with local police. A major segment of civil rights cases, North and South, has to do with police brutality.

Can See No Menace on The Right

The FBI's lack of interest in civil rights cases is apparent in its newly released annual report for the fiscal year 1963. In a 46-page report, there is an 8-page section called "Protecting Democracy." But this does not deal, as the naive might assume, with such matters as protection of Negro voting rights in the South. It is entirely devoted to J. Edgar Hoover's favorite menace. The Communist Party can never grow too small to be his main obsession. Nothing in this "Protecting Democracy" section deals, of course, with any analogous menace on the Right; there is no mention in the report of any danger from racists, Ku Kluxers, or Birchites, though these are secret associations which could be regarded as unlawful conspiracies aimed to deprive other Americans of their civil rights.

The most striking omission is any mention of the bombings which have become a feature of the Southern landscape in the fight to intimidate the civil rights struggle. The wave of church and synagogue bombings which began in 1957 and 1958 led a group of Senators on both sides of the aisle—including the late President Kennedy, then a Senator—to sponsor Federal anti-bombing legislation. This was finally enacted as part of the 1960 Civil Rights Act. It made bombings a Federal offense with heavy penalties where death or injury occurred if the explosives were transported interstate. Best of all it provided that it was a rebuttable presumption in any such bombings that the explosive *had* been taken across state lines.

Now, three years after the passage of this law from which so much was expected, one would never guess from the FBI report that any such law existed. It is nowhere mentioned. The two page summary of statistics on all Federal laws enforced includes figures on such momentous crimes as interstate transportation of lottery tickets and stolen cattle but none on bombings. The anti-bombing law is mentioned neither in the section on criminal investigations nor under civil rights.

Civil rights may be the country's No. 1 concern this year, the greatest threat to public order and the greatest challenge to public conscience. But the FBI, on which the country must depend in the enforcement of civil rights laws, devotes only two short and frigid paragraphs to civil rights (see text in box above) in its annual report. No indignation, only the slightly disparaging phrase, "highly publicized," marks its reference to the Georgia church burnings and the still unpunished murder of Medgar Evers. As if to reassure local police the report says "specially trained" FBI men are used to investigate civil rights complaints. There were 2,692 alleged violations in fiscal 1963, up 607 from the year before, but only 6 convictions. The wide gap between alleged violations and convictions makes one wonder just what they're specially trained for.

All the FBI Says of Civil Rights

"Alleged violations of various civil rights statutes totalled 2,692 in the 1963 fiscal year, an increase of 607 over the prior 12 months. Each of these allegations was carefully and impartially investigated by specially trained FBI Agents, and the results reported to the Department of Justice which determines if further action is warranted. Six convictions for civil rights violations were recorded during the year.

"FBI Agents were involved in the investigation of a number of highly publicized civil rights matters in the 1963 fiscal year, including the burning of Negro churches in Georgia and the slaying of a Negro leader in Mississippi. An investigation is conducted whenever there is indication of a Federal violation. Without such indication, the FBI has no authority to investigate."

—Newly released annual FBI report for fiscal 1963.

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